



A Company Limited by Guarantee

**Annual Report and Financial Statements
For the period to 31 August 2019**

**Company registration number:
11200244 (England and Wales)**

CONTENTS

	Page number
Reference and Administrative Details	i
Trustees' Report	ii
Governance Statement	ix
Statement of Regularity, Propriety and Compliance	xv
Statement of Trustees' Responsibilities	xvi
Independent Auditor's Report on the Financial Statements	xvii
Independent Reporting Accountant's Report on Regularity	xx
Statement of Financial Activities incorporating Income and Expenditure Account	1
Balance Sheet	2
Statement of Cash Flows	3
Notes to the Financial Statements	4 – 19

Reference and Administrative Details

Members	Lorna Anderson Randhir Seewoodharry Buguth Lesley Smith Ian Tooley (from 5 December 2019)
Trustees	Lorna Anderson (Chair) Helen Canham (until 31 December 2018) Colin Denny Paul Dixon Sarah Knights Toby Limbach (from 7 May 2019) David Marsh Maria Marsh Brian McGrellis (until 20 November 2019) Teresa Miller (from 1 November 2018) Catherine Richards (Principal and Accounting Officer) Stephan Schmitt (from 5 December 2019) Alex Young (from 15 October 2019)
Company Secretary	Joanne McDonnell
Senior Management Team	
Principal	Catherine Richards
Deputy Principal	Simon Fox
Vice Principal	Joseph Santori
Assistant Principal	Andrew Cooper
Curriculum Director	Susan Brisbane
Curriculum Director	Deborah Brown (until 31 August 2019)
Assistant Director	Sean Offord
Assistant Director	Michael Papageorgiou
Company Name	East Norfolk Multi Academy Trust
Principal and Registered Address	Church Lane Gorleston, Great Yarmouth NR31 7BQ
Company Registration Number	11200244
Independent Auditor	Larking Gowen LLP Chartered accountants & Statutory auditors King Street House, 15 Upper King Street, Norwich, NR3 1RB
Internal auditors	Scrutton Bland (until 31 August 2019) Fitzroy House, Crown Street, Ipswich TIAA Ltd (from 1 September 2019) Artillery House, Fort Fareham, Newgate Lane, Fareham
Bankers	Lloyds Bank 1 – 2 King Street, Great Yarmouth Nationwide Building Society Kings Park Road, Moulton Park, Northampton
Solicitors	Steeles Law Lawrence House, 5 St Andrews Hill, Norwich

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2019. The annual report serves the purpose of both a Trustees' report and a Directors' report under Company Law.

The Academy Trust operates East Norfolk Sixth Form College Academy which has students from 16 – 19 servicing a catchment area of east Norfolk and north Suffolk. It has a student capacity of 1,800 and had a roll of 1,553 in the individualised learner record for the 2018-19 academic year.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of East Norfolk Multi Academy Trust are also the directors of the charitable company for the purposes of Company Law. The charitable company operates as East Norfolk Sixth Form College Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page i.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

We benefit from indemnity insurance purchased at the Academy Trust's expense to cover our liability which by virtue of any rule of law would otherwise attach to us in respect of negligence, default or breach of duty of which we may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which we knew to be a breach of trust or duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against us in our capacity as Directors of the Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

Any new appointments to the Academy Trust are a matter for the consideration of the Board of Trustees as a whole. The Appointments and Remuneration Committee, which is comprised of the Chair, Vice Chair, Principal and other non-Executive members, are responsible for making recommendations to the Board. Trustees are appointed for a term of office not exceeding four years. Upon expiration of their term, a Trustee can apply to be re-appointed. There is no limit to the number of repeat terms of office that may be served; however, re-appointments are subject to the review and recommendation of the Appointments and Remuneration Committee and the approval of the Board of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are encouraged to participate in regular training. Specific training is organised for individuals who identify training needs. For example, induction training is arranged for all newly appointed Trustees. We also engage in training at the start of each meeting of the Board of Trustees by way of a briefing, generally delivered by staff members, on various issues relating to the Academy Trust's operations or new / updated legislation.

Trustees' Report (continued)**Organisational Structure**

We are responsible for the management of the company, supported by our Governance Adviser who acts as our the Company Secretary. The Chair and the Accounting Officer (Chief Executive Officer / Principal) have been delegated powers for the day to day running of the organisation. They are supported by a Senior Management Team, which reports to the CEO. This consists of a Deputy Principal, overseeing all curriculum matters; a Vice Principal, who has responsibility for financial matters and is the Chief Finance Officer; and an Assistant Principal who has responsibility for information technology and data systems, estates and other operational matters.

There is currently only one Academy within the Trust and the management structure outlined above is mirrored in that institution.

The Academy within the Trust has powers delegated to it for operational and budgetary matters through a Scheme of Delegation which is reviewed at least annually.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

We receive recommendations from the Appointments and Remuneration Committee on the pay and remuneration of key management personnel. The Committee bases its recommendations on independent research data provided by the Sixth Form Colleges' Association and the advice of other industry representatives, as considered appropriate. Account is taken of the breadth of responsibilities, period in post and any changes in salary levels to compensate for inflation.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.66

Percentage of time spent on facility time

Percentage of time	Number of employees
1% - 50%	3

Percentage of pay bill spent on facility time

Total cost of facility time	4,000
Total pay bill	5,662,000
Total pay bill spent on facility time	0.1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	Hours spent on TU activities / total paid time x 100
0	0%

Related Parties and other Connected Charities and Organisations

The Academy Trust works in partnership with our local partner secondary schools. In addition, we have strong relationships with the University of East Anglia (UEA) and Norwich University of the Arts. The UEA supported our project to create, The Hive, a social, working space for students at the heart of the College with access to support and guidance.

We have received funding from the Great Yarmouth Grammar School Foundation Trust for over 15 years in support of student achievements and to subsidise different activities.

We have been supported by the Network for East Anglian Collaborative Outreach (NEACO) for the past two years. They have provided support for our students and assisted the work of the College.

Trustees' Report (continued)

In the Spring of 2018, we were approved to have a Combined Cadet Force (CCF) Cadet unit starting in September 2019. CCF has provided funding towards the salary cost of College Staff Instructor and towards our Cadet Force Adult Volunteer costs.

One of our staff was successful in being appointed as a Specialist Leader of Education in 2018-19. As a result, we received a grant from the East Anglian School Teachers' Alliance (EASTA) to allow her to be seconded to perform this work.

We have continued our working relationship with the Community Sports Foundation (CSF) of Norwich City Football Club. CSF provide staff to work with our students to provide football training. They also provide our students with the opportunity to participate in the National Citizen Service programme.

During the year, we have received funding from the Ogden Trust and the Dudgeon Community Fund for different projects.

The Family Action Grant provides funding to support the learning needs of students from lower socioeconomic backgrounds.

In 2018-19, we continued our affiliation with the Youth STEMM Awards (YSA) which started in 2016. This is an organisation that provides "a focused and engaging framework for young people aged 13-19 to further their passion, knowledge and skills in STEMM (Science, Technology, Engineering, Maths and Medicine)." The Deputy Principal and his wife are the Directors of this organisation. During the year, the College paid YSA a fixed rate membership fee of £150 and £600 collected from students.

Objectives and Activities**Objects and Aims**

Our aim is to provide excellence through an inclusive ethos of high expectations for all children and young people regardless of background or personal circumstances in Norfolk and North Suffolk.

Objectives, Strategies and Activities

As stated in its strategic plan, we will:

1. develop the Trust through highly effective leadership by local people that provides the challenge and ways of working that support the best life chances for all young people living in Norfolk and North Suffolk
2. provide, in partnership, outstanding opportunities that go beyond the curriculum to inspire all young people to develop themselves fully in preparation for high levels of positive progression between stages and levels - developing skills in employability, communication, health and wellbeing and resilience
3. build increased financial sustainability for the future through effective partnerships targeted, fully evaluated investment and seeking further opportunities for investment to provide a strong financial foundation for the Trust.
4. be the first choice provider of outstanding Sixth Form College Education in Norfolk and North Suffolk for young people on 16 – 19 study programmes of GCSE, A-levels, T Levels and Applied courses offered on a mix and match basis tailored to the skills priorities for the area based on data from the New Anglia Local Enterprise Partnership (LEP) and County Councils.
5. raise educational and professional standards across Norfolk and North Suffolk for all young people from the ages of 2 to 19 to increase higher level skills for employment, higher education or further training across the area
6. develop specialist status for the teaching of mathematics and other STEM subjects in Norfolk and North Suffolk sharing good teaching practice pre and post-16 and support minority subject provision to raising aspirations of young people to aspire to stay in sixth form education 16-19.

Public Benefit

East Norfolk Multi Academy Trust is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Directors, who are Trustees of the charitable company, are disclosed on page i.

In setting and reviewing our strategic objectives, we have had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of

Trustees' Report (continued)

education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering our mission, we provide the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and supporting students with learning needs
- Excellent record for student progression to higher education and employment
- Strong student support systems
- Growing links with employers, industry and commerce.

Strategic Report**Achievements and Performance****Student numbers**

Student numbers in 2018-19 decreased versus the previous year as a result of local demographics. The number of ESFA funded students reported in the Individualised Learner Record (ILR) was 1,553. We continue to develop our marketing strategy to mitigate against the effect of demographics and increasing local competition.

Student Achievement

Our overall success rate decreased slightly in 2018-19 by 0.5%. This achievement is considered to be impressive in the context of our admission criteria for incoming students being lower than that of many other educational establishments.

Curriculum Developments

We take pride in the fact that the breadth of our curriculum offer ensures we can provide a wide range of study programmes for students based on their ability, interests and future aspirations. This includes extensive work to increase student employability skills including work placements, industry specific visits and professional mentoring.

Key Performance Indicators

We agree targets for a range of key performance indicators including: student numbers, success rate, retention, achievement, attendance and overall financial results including current ratio, cash flow and closing cash balance. We also regularly monitor performance against the covenants established by the bank as part of the loan agreements originally made with the College prior to conversion.

We recognise the importance of monitoring the financial performance of the Academy Trust. We do this by regularly reviewing the management accounts which compare the results to budget (and mid-year forecast later in the year). We are also mindful of results in previous years which are also included in the management accounts. The 2018-19 budget was prepared on a "college" basis which included deferred capital grants, a different method of funding recognition and fixed assets before revaluation. The previous results for the Academy Trust were for only one month as conversion was on 1 August 2018. From the March 2019 accounts, there have been monthly comparisons with forecast with explanations for significant variances. For the 2018-19 financial year, the operating surplus (excluding the effects of FRS 102) were better than the mid-year forecast.

We are committed to observing the importance of sector measures and indicators and use benchmarks to assess our performance, wherever possible.

Recruitment

We continually review how the Academy is marketed to prospective students. Recruitment to the Academy in 2019-20 is expected to be slightly below the number of students estimated in the financial plan for the year.

Financial

1. Delivering a balanced operating budget in each financial year.
2. Ensuring a sufficient balance of cash is maintained (a minimum of £500,000 at the end of the financial year) to provide flexibility for implementing actions in response to future funding challenges or unexpected developments.

Trustees' Report (continued)

We met both of these objectives for the period from 1 September 2018 to 31 August 2019.

Going Concern

After making appropriate enquiries, we have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review**Financial Results**

The Academy Trust generated a deficit of income over expenditure for the year of £528,000 (2018: surplus of £20,493,000), with a net movement of funds of (£2,006,000) (2018: £20,505,000).

Total funds at 31 August 2019 were £18,499,000 (2018: £20,505,000) the Academy Trust's cash balance was £1,318,000. (2018: £1,335,000) The Academy Trust plans to maintain funds and cash balances in order to protect against unexpected future events.

The balance sheet shows net current assets at 31 August 2019 of £826,000. (2018: £570,000)

There is a significant reliance on the ESFA as the Academy Trust's principal funding source, largely from recurrent grants. In the year, the 16-18 General Annual Grant represented 87.4% of total income. (2018: 99.5% excluding the amounts transferred to the Academy Trust on conversion) [NB The 2018 figure is based on only one month.]

Cash Flows

The Academy Trust delivered a negative cash flow of £17,000 in the year. (2018: positive cash flow of £1,335,000)

Reserves Policy

The Academy Trust does not have a formal Reserves Policy but we recognise the importance of reserves in the financial stability of any organisation, and ensure that there are adequate reserves to support the Academy Trust's core activities.

As at the balance sheet date, the total funds were £18,499,000. (2018: £20,505,000) Trustees believe that the Academy Trust should utilise the funding it receives for the benefit of students and do not have any plans to increase reserves unless this is to support future capital investment.

At 31 August 2019, unrestricted reserves stood at £805,000 (2018: £595,000) and general restricted funds were £305,000. (2018: £175,000) This means that total revenue funds were £1,100,000. (2018: £770,000)

The fixed asset fund stood at £20,806,000. (2018: £21,403,000)

The pension reserve stood at a deficit of £3,417m (2018: £1.668m), representing obligations to the Local Government Pension Scheme. The trust is making payments at the levels recommended by the scheme actuary. The significant increase in the deficit is the result of the reduction in the discount rate used by the actuary in preparing this year's FRS 102 report versus the rate used last year.

PRINCIPAL RISKS AND UNCERTAINTIES

We continue to develop our system of internal control, including financial, operational and risk management, which is designed to protect our assets and reputation.

The members of the senior management team undertake a comprehensive review of the risks to which the Academy Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the operation of the Academy Trust. Internal controls are then implemented with an appraisal conducted in the subsequent year to assess their effectiveness and progress made against risk mitigation strategies. In addition to the preparation of an annual review, there is also the consideration of any risks which may arise as a result of a new area of work being undertaken by the Academy Trust. The effectiveness of our internal control and risk management systems is evaluated by the internal auditors and their findings are reported to the Audit and Assurance Committee.

A risk register is maintained at Academy level and is regularly reviewed by the Audit and Assurance Committee. The risk register identifies the key strategic risks, the likelihood of those risks occurring,

Trustees' Report (continued)

their potential impact on the Academy and the actions being taken to reduce or mitigate these risks. Risks are prioritised using a consistent scoring system.

The principal risks we face are outlined below. These risks are monitored on an on-going basis. Not all of the factors are within our control. There are other factors besides those listed below that may adversely affect the Academy operations.

1. Increased Competition Locally / Demographic Changes

Prospective students can choose from an increasing number of post-16 establishments in the area. Although competition can be good for maintaining choice and quality, there is also a risk of it leading to an uneconomic duplication of provision in some subject areas.

Other local providers have increased their efforts to recruit additional students over the past few years. Although we do not believe that there will be a significant decrease in our numbers as a result of this increased competition, we cannot afford to be complacent.

This risk is lowered to a satisfactory level by:

- Monitoring local demographics and how they will impact future student numbers. We also consider the implications of future recruitment on accommodation and staffing needs. To ensure that student numbers are as high as possible, we review our curriculum offer and consider the introduction of new courses which will appeal to current and prospective students.
- Ensuring we are offering courses that suit the abilities, interests and future aspirations of prospective students.
- A continuing review of our marketing strategy and how we communicate with students who might attend the College and their parents.
- Maintaining dialogue with our local partner high schools about how we can best tailor our curriculum offer to meet the needs of their pupils and having effective transition arrangements in place.

2. Students Pursuing Other Options

It is important to support our students from enrolment until the end of their learning programme. Some students will not wish to continue their education into higher education and could seek other options, such as apprenticeships or employment, before completing their studies with us. We maintain regular dialogue with students to support them in their studies and to understand their future aspirations. We have a Work-Related Learning team to assist students in obtaining relevant work experience to complement their studies by making connections with local organisations and employers.

3. Government funding

Like most post-16 educational establishments, we are extremely reliant on sufficient levels of government funding provided by the ESFA. We welcome the announcement of the increase in the base rate of funding, the first rise since 2013. We hope that further increases will occur to help address the underfunding in previous years. This will allow educational establishments cope with the effects of increased employment costs and inflation.

This risk is lowered to a satisfactory level in a number of ways:

- Being members of the Sixth Form Colleges' Association.
- Constantly reviewing the curriculum offer including non-curricular activities like sports, work experience and volunteering opportunities.
- Striving to recruit sufficient numbers of students and enrolling them on courses that are best suited to their abilities and interests.

Carefully reviewing the financial plan which demonstrates the financial consequences of delivering the strategic plan on an annual basis.

4. Curriculum Changes

We have developed our curriculum offer over time to ensure that all of our students can select courses that match their interests, future aspirations prior learning and abilities. The College has been selected as a provider of T Levels from the 2021-22 academic year. Planning and preparation has commenced in

Trustees' Report (continued)

order for staff to be ready to deliver these new qualifications. We will ensure that the changes to the existing qualifications will not adversely affect our students.

5. Staff Recruitment and Development

Our most important asset is our teaching and support staff and the work they undertake to deliver teaching, learning and support to our students. Recruitment of high-quality staff is becoming increasingly difficult. In order to mitigate the risk of not being able to recruit staff in future, we endeavour to employ teaching staff who are able to effectively deliver more than one subject and we look to develop staff in order for them to progress and remain in the Academy Trust. There are on-going training opportunities for all staff throughout the year.

Fundraising

We have sought additional funding to support our work and the needs of the students whenever possible. We have received funding from the Family Action Grant to support the financial needs of students. NEACO, EASTA, UEA, the Great Yarmouth Grammar School Foundation Trust, the Dudgeon Community Fund and other establishments have generously provided funding which was used for specific projects or to support the learning needs of our students.

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods**FUTURE PROSPECTS**

Our catchment area includes a wide area of eastern Norfolk and northern Suffolk. The area has a variable demographic of 16 – 18 year olds over the next few years and increasing competition. The three colleges located within 8 miles merged in the past two years. The other local Sixth Form College located approximately 27 miles away merged with City College Norwich in 2017-18. One of our local high schools has plans to have a sixth form within three years. We carefully review our curriculum offer, marketing materials and presentations to prospective students to ensure we meet our future funding targets. We therefore feel that we have sufficient plans in place to lower the demographic and competition risks noted.

We continually review our future operations and financial projections to ensure we can meet the needs of our students and staff and pay our creditors promptly. We will be able to continue in operation and meet our liabilities taking account of our current position and the principal risks we face for at least the next few years.

We have been working with the Football Association and Gorleston Football Club on a project that would build a 3G pitch, stands and a clubhouse on the Academy Trust's land. The project has recently received planning permission but the funding has yet to be agreed. A decision by the Football Association is expected in January 2020.

Auditor

Insofar as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees on 5 December 2019 and signed on the Board's behalf by:

Lorna Anderson

Chair, Board of Trustees

5 December 2019

Governance Statement

Scope of Responsibility

As Trustees, we have overall responsibility for ensuring that East Norfolk Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between East Norfolk Multi Academy Trust and the Secretary of State for Education. The Principal is also responsible for reporting to us any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees formally met on 6 occasions during the year. Attendance at these meetings was as follows:

Trustee	Meetings Attended	Out of a Possible
L Anderson (Chair)	6	6
H Canham (<i>resigned 31 Dec 2018</i>)	0	2
C Denny	3	6
P Dixon	6	6
T Limbach (<i>appointed 7 May 2019</i>)	2	2
S Knights	5	6
D Marsh	5	6
M Marsh	5	6
B McGrellis	3	6
C Richards	5	6
T Miller (<i>appointed 1 Nov 2018</i>)	5	5

Review of Governance

Overview

During the period 1 September 2018 to 31 August 2019, the Board of Trustees had 1 resignation and 2 appointments, bringing the total number of Trustees to 10. Two new appointments to the Board were made during the year. As at 31 August 2019, there were 2 vacancies for the role of Trustee.

The Trustees employ a dedicated Governance Adviser to assist with the work of the Board. She is also the Company Secretary for the Trust.

Key Coverage of Work

The work of the Trustees is planned for the academic year ahead, with all meeting dates agreed in advance. A Calendar of Business is produced at the start of the year detailing the basis of each meeting Agenda. The Calendar of Business is informed by the operational flow of business as it occurs throughout the academic year, incorporating the deadlines for the approval and submission of key documents and policies which require Trustee approval.

Trustees have an approved Scheme of Delegation which sets out the authority for a wide range of decisions which are commonly required throughout the year. The Board is served by a number of sub-Committees which helps to discharge its duties effectively, within the guidance of the Articles. The Scheme of Delegation sets out what authority or level of involvement the Committees have. The work of each Committee is overseen by agreed Terms of Reference, reviewed annually, and a Calendar of Business. Membership and Chairmanship of each Committee is agreed by the Committee and ratified

Governance Statement (continued)

by the Trustees. Committee Chairs must also be Trustees to ensure a secure reporting chain. Appointment to a Committee is often based on the professional expertise or skills of an individual; however, this is not always the case as the benefit of a 'layman's view' is often highly beneficial, as is the perspective of a stakeholder group.

The Board and its Committees agree to a Code of Conduct and to act within the Standing Orders and the 7 Nolan Principles.

Board Performance

There is no formal set of key performance indicators for governance, but it is possible to gather an informed view of the effectiveness of the Board in several ways.

The Board and its Committees have met frequently throughout the year and meetings have been well attended. Attendance and the minutes of meetings are a matter of public record and details are published on the website. Minutes are produced on a timely basis, recording key decisions and the debate behind those decisions.

The regular and rigorous review of the Trust's financial performance, as monitored and approved by the Board via the Financial Plan, also acts as a useful assessment of Board performance. Monthly management accounts are circulated to all Trustees and local Governors as a matter of course, and they are also routinely reviewed at Trustee meetings.

The improved use of technology has greatly aided the work of the Board. Following training and support, throughout 2018-19 all Trustees and local Governors were enabled access to a governance portal where key documents are stored, and information and news is shared. The Governance Adviser uses digital filing for all Companies House returns.

The existence and frequent review of key governance documents (Standing Orders, Scheme of Delegation, Terms of Reference, Calendar of Business) ensures that there are robust processes, policies and procedures in place for key regulatory matters and there is an awareness of the impact of process failures.

The Governance Adviser produces an annual report summarising the work of the Board throughout the year, highlighting areas of concern or where development is needed.

Lastly, while at year end the Board had 2 vacancies, following successful recruitment campaigns, a number of applications for the role were received and considered. Candidates for the vacancies have since been interviewed and identified.

Information about the quality of the data used by the Board, and why the Board finds it acceptable

All governance reports and papers are prefaced with a standard cover sheet template. This ensures that key information is highlighted from the outset.

Trustees and Local Governors are given support to ensure that they know how to ask challenging questions of the Executive. There exists a culture of openness and constructive challenge within governance.

The Audit and Assurance Committee commissioned an internal audit in respect of IT Infrastructure in November 2018 to gain assurance that the technology frameworks within the Trust were robust and efficient. This received a significant assurance grade.

The Board have overseen a cultural shift towards embracing technology and streamlining processes. This is especially apparent in the collection and storage of data throughout all layers of the Trust. Rigour checks with staff are undertaken periodically and certain data is verified externally. Financial information is externally audited.

The Executive Group routinely attends all governance meetings to present reports and answer questions. Their attendance ensures a conduit between Trustees and senior staff in addition to the link that exists with the Principal.

Governance Statement (continued)

The triangulation of quantitative information with qualitative information is embedded within the Schedule of Business and frequently forms the focus of discussion at meetings.

Finance and Resource Committee

The Finance and Resource Committee monitors the financial health of the Academy Trust, reviews the financial plan including the annual budget, monthly management accounts, compliance with bank loan covenants, the financial impact of proposed building projects, benchmarking data and the financial regulations. The Committee also scrutinises any capital expenditure plans.

Trustee	Meetings Attended	Out of a Possible
D Marsh (Chair)	4	4
C Denny	3	4
T Limbach (<i>appointed 8 May 2019</i>)	1	1
T Miller (<i>appointed 1 Nov 18, resigned 4 Mar 19</i>)	2	3
C Richards	4	4

Appointments and Remuneration Committee

The Committee is responsible for making recommendations on the remuneration and benefits of the Principal, other senior members of staff and the Governance Adviser. The Committee bases its recommendations on independent research data provided by the Sixth Form Colleges' Association and the advice of other industry representatives as considered appropriate. Account is taken of the breadth of responsibilities, period in post and any changes in salary levels to compensate for inflation. The Committee is also responsible for ensuring we fulfil our role for setting the framework for the pay and conditions of service for all other staff. The Committee members are non-Executive Trustees and the Principal. Meeting procedures ensure that neither the Principal nor the Governance Adviser take part in discussions or decisions relating to their own remuneration.

Trustee	Meetings Attended	Out of a Possible
Lorna Anderson	3	3
David Marsh	1	3
Brian McGrellis (Chair) (<i>appointed 18 Sep 2018</i>)	1	3
Teresa Miller (<i>appointed 4 Mar 2019</i>)	2	2
Catherine Richards	3	3

Audit and Assurance Committee

The Audit and Assurance Committee provides a forum for reporting by our internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of management. The Committee also receives and considers reports from the main FE funding bodies as they affect the Academy Trust's business.

Our internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit and Assurance Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Committee also advises us on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work.

Governance Statement (continued)

Trustee	Meetings Attended	Out of a Possible
Helen Canham (<i>resigned 31 Dec 2018</i>)	1	1
Paul Dixon	3	3
Maria Marsh	3	3
Teresa Miller (Chair) (<i>appointed 4 Mar 2019</i>)	2	2

Academy Advisory Committee

The Academy Advisory Committee is the local governing body of East Norfolk Sixth Form College Academy, which is currently the only institution within East Norfolk Multi Academy Trust. It provides recommendations to us on matters of oversight including the consideration of exam results and other performance measures and monitors the operation of the Academy through the review of the annual Self-Assessment Report. The Committee will also review the results of Ofsted inspections. It is our responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. It ensures we meet our responsibility for the determination and periodic review of the educational character and mission of the Academy.

This Committee has both Trustees and Local Governors. Local Governors are either co-opted for their skills and expertise or are nominated by representative groups in accordance with the Articles (e.g. parents of current students).

Trustee / Local Governor		Meetings Attended	Out of a Possible
Lorna Anderson (Chair)	Trustee	3	4
Nasreen Ayub (<i>appointed 1 Nov 2018</i>)	Parent Governor	3	3
Jon Dack (<i>appointed 1 Nov 2018</i>)	Staff Governor	3	3
Deborah Dyer (<i>appointed 1 Nov 2018</i>)	Staff Governor	3	3
Gary Johnson (<i>appointed 1 Nov 2018</i>)	Parent Governor	3	3
Sarah Knights	Trustee	4	4
Brian McGrellis (<i>resigned 25 Nov 2018</i>)	Trustee	1	1
Catherine Richards	Trustee	3	4
Bradley Young (<i>appointed 11 Dec 2018</i>)	Co-opted Governor	1	2

Review of Value for Money

As accounting officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money, and reports to us where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the period by:

- Employing staff to develop software that facilitates the management of the Academy Trust. In-house developed systems include our Management Information System, Parent Portal, Cafeteria Till Management Software and the Staff Appraisal System. These systems are designed and modified to suit our operations at a fraction of the cost of commercial software packages.
- Having a dedicated team for our marketing and promotional activities, the design of our prospectus and preparing other forms of communication with students and their parents. The team also conducts interviews with prospective students. Having a marketing team ensures our messaging is effective and frees management time for other activities.
- Encouraging staff to explore different options when conducting procurement exercises. At the end of the photocopier lease agreement, the Assistant Principal and Information Systems Development

Governance Statement (continued)

Manager proposed that we consider having copiers using ink jet rather than laser technology. The new machines cost more than 50% less with no discernible loss in printing quality.

- Achieving staff skills development by employment apprentices who become employees at the end of their apprenticeships and upskilling existing staff through the effective use of the Apprenticeship Levy.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in East Norfolk Multi Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. We are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by us.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- an annual budget and mid-year forecast which is approved by the Board
- regular reviews of the monthly accounts including variances with budget and forecast
- procedures for the Finance and Resource Committee to review budgets and financial forecasts and make recommendations to the Board for approval
- an approved set of financial regulations
- regular reports about significant capital projects
- agreed financial and non-financial targets to measure performance.

We have considered the need for a specific internal audit function and decided to appoint Scrutton Bland as internal auditor for the 2018-19 financial year. [NB Following a tender process, the Audit Committee recommended the appointment of TIAA as the Academy Trust's internal auditors from 1 September 2019.]

The internal auditor's role includes giving us advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included reviews of our:

- IT infrastructure controls
- Additional learning support processes
- Work Related Learning system
- Risk Management process

On a termly basis, the internal auditor reports to us, through the Audit and Assurance Committee on the operation of the systems of control and on the discharge of our financial responsibilities. Scrutton Bland

Governance Statement (continued)

delivered the schedule of work agreed at the start of the year. We monitor the implementation of the recommendations made by management.

Review of Effectiveness

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Assurance Committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 5 December 2019 and signed on its behalf by:

Lorna Anderson

Chair, Board of Trustees

Dr Catherine Richards

Principal / Accounting Officer

Statement of Regularity, Propriety and Compliance

As accounting officer of East Norfolk Multi Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the terms and conditions of funding of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.

Dr Catherine Richards
Principal / Accounting Officer

5 December 2019

Statement of the Trustees' Responsibilities

The Trustees (who are also Directors of the charitable company for the purposes of Company Law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under Company Law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy, at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that, in its conduct and operation, the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA / DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 5 December 2019 and signed on its behalf by:

Lorna Anderson
Chair, Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MEMBERS OF EAST NORFOLK MULTI ACADEMY TRUST LIMITED**Opinion**

We have audited the financial statements of East Norfolk Multi Academy Trust (the 'Academy Trust') for the period ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Academy Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's Members those matters we are required to state to them in an Auditor's Report and

for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's Members as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Larking Gowen

Christopher Yeates, FCA, DChA (Senior Statutory Auditor)

For and on behalf of

Larking Gowen LLP
Chartered Accountants
Statutory Auditors
Norwich

Date: 10 December 2019

Independent Reporting Accountant's Assurance Report on Regularity to East Norfolk Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 2 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by East Norfolk Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to East Norfolk Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to East Norfolk Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than East Norfolk Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of East Norfolk Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of East Norfolk Multi Academy Trust's funding agreement with the Secretary of State for Education dated 31 July 2018 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- Enquiry of senior management;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest;
- Observation of the financial controls;

- Review of the results of the Academy Trust's process of independent checking of financial controls, systems, transactions and risks; and
- Review of certain governance arrangements.

Conclusion

In the course of our work, nothing has come to our attention which suggests in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Larking Gowen

Larking Gowen LLP
Chartered Accountants
Statutory Auditors
Norwich

Date: 10 December 2019

**Statement of Financial Activities
(including income and expenditure account)**

				2018/19	2018	
	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000	Total £000
Income and Endowments from:						
Donations and capital grants	2	0	0	153	153	0
Transfer from college on conversion		0	0	0	0	20,325
Charitable Activities						
Funding for the Academy Trust's educational operations	3	0	7,365	0	7,365	596
Other trading activities	4	332	0	0	332	1
Investments	5	5	0	0	5	
Total		337	7,365	153	7,855	20,922
Expenditure on						
Charitable activities:						
Academy Trust's educational Operations		127	7,056	1,066	8,249	417
Other		0	134	0	134	12
Total	6	127	7,190	1,066	8,383	429
Net income / (expenditure)		210	175	(913)	(528)	20,493
Transfer between funds		0	(316)	316	0	0
Net income / (expenditure) before other recognised gains and losses		210	(141)	(597)	(528)	20,493
Other recognised gains / (losses)		0	0	0	0	-
Actuarial (losses) / gains on defined pension benefit pension schemes	26	0	(1,478)	0	(1,478)	12
Net movement in funds		210	(1,619)	(597)	(2,006)	20,505
Reconciliation of Funds						
Total funds brought forward		595	(1,493)	21,403	20,505	-
Total funds carried forward		805	(3,112)	20,806	18,499	20,505

Balance Sheet as at 31 August 2019**Company number 11200244**

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed Assets					
Tangible Assets	11		22,561		23,380
Current Assets					
Stock	12	4		5	
Debtors	13	246		250	
Cash at bank and in hand	23	1,318		<u>1,335</u>	
			<u>1,568</u>	1,590	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(742)</u>		<u>(1,020)</u>	
Net Current Assets			<u>826</u>		<u>570</u>
Total Assets Less Current Liabilities			23,387		23,950
Creditors: Amounts falling due after more than one year	15		<u>(1,471)</u>		<u>(1,777)</u>
Net assets excluding pension liability			<u>21,916</u>		<u>22,173</u>
Defined pension scheme liability	26		<u>(3,417)</u>		<u>(1,668)</u>
Total Net Assets			<u>18,499</u>		<u>20,505</u>
Funds of the Academy Trust					
Restricted funds					
Fixed asset fund	16	20,806		21,403	
Restricted income fund	16	305		175	
Pension fund	16	<u>(3,417)</u>		<u>(1,668)</u>	
Total restricted funds			17,694		19,910
Unrestricted income funds	16		805		595
Total funds	16		<u>18,499</u>		<u>20,505</u>

The financial statements on pages 1 to 19 were approved by the Trustees and authorised for issue on 5 December 2019 and are signed on their behalf by:

Lorna Anderson
Chair, Board of Trustees

Catherine Richards
Principal / Accounting Officer

**Statement of Cash Flows
for the Period Ended 31 August 2019**

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	632	164
Cash transferred on conversion to Academy Trust		-	1,174
Cash flows from investing activities	22	(226)	(3)
Cash flows from financing activities	21	(423)	0
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(17)	1,335
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the year		1,335	0
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	23	<u>1,318</u>	<u>1,335</u>

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted) judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole 1,000 except where otherwise indicated.

Going Concern

The Trustees assess whether the use of the going concern basis is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Notes to the Accounts (continued)

- **Other Income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 or more (£250 for computer equipment) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. Assets held by the Academy Trust are continuing to be depreciated over the useful economic lives remaining since the original date of purchase. All new assets are being depreciated as stated below:

- Buildings 50 years

Notes to the Accounts (continued)

- Mechanical and electrical 20 years
- Computer software 3 years
- Computer equipment, excluding desktops 5 years
- Computer equipment, desktops 6 years
- Other equipment 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Unsold catering stocks are valued at the lower of cost or net realisable value.

Debtors

Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the Accounts (continued)**Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Accounts (continued)*Critical accounting estimates and assumptions*

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The most significant area of judgement and key assumptions are related to estimating the useful economic life of fixed assets. Depreciation is charged annually in accordance with the depreciation rates detailed above. Impairment of assets is considered annually and provided for, as required. The Trustees judgement is that the Academy Trust will continue as a going concern. In reaching this decision, they have assessed the level of cash and reserves.

Agency Arrangements

The Academy Trust acts as an agent of the ESFA for the distribution of certain funds to students. These funds are the discretionary bursary fund, free meal fund and vulnerable bursary fund. These funds are available solely for students. We also act as an agent for Family Action Grant for the distribution of funds to students. These funds are to help purchase equipment and provide other support for students. The grants and related disbursements are therefore excluded from the Statement of Financial Activities.

Transfers on Conversion

The conversion from a sixth form college to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the college for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the East Norfolk Sixth Form College have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in Donations - transfer from college on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	2019 Total £000	2018 £000
Capital Grants	0	153	153	0
	<u>0</u>	<u>153</u>	<u>153</u>	<u>0</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	2019 Total £000	2018 £000
DfE / ESFA Grants				
General Annual Grant (GAG)	0	6,864	6,864	594
Other DfE Group Grants	0	231	231	
	<u>0</u>	<u>7,095</u>	<u>7,095</u>	<u>594</u>
Other Government Grants				
Local Authority Grants		218	218	0
		<u>218</u>	<u>218</u>	<u>0</u>
Other Income from the Academy Trust's educational operations	0	52	52	2
	<u>0</u>	<u>7,365</u>	<u>7,365</u>	<u>596</u>

4 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	2019 Total £000	2018 £000
Hire of facilities	3	0	3	0
Income from other charitable activities	65	0	65	0
Income from ancillary trading activities	264	0	264	1
	<u>332</u>	<u>0</u>	<u>332</u>	<u>1</u>

5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	2019 Total £000	2018 £000
Short term deposits	5	0	5	0
	<u>5</u>	<u>0</u>	<u>5</u>	<u>0</u>

6 Expenditure

	Staff Costs £000	Premises £000	Other £000	2019 Total £000	2018 £000
Academy Trust's Educational Operations					
Direct Costs	5,663	0	0	5,663	238
Allocated Support Costs	0	396	2,324	2,720	191
	<u>5,663</u>	<u>396</u>	<u>2,324</u>	<u>8,383</u>	<u>429</u>

Net income / (expenditure) for the period includes:

	2019	2018
	£000	£000
Operating lease rentals	21	5
Depreciation	1,050	87
Fees payable to auditor for:		
Audit	8	6
Other Services	1	1
	<u>1,080</u>	<u>99</u>

7 Analysis of Support Costs

	Educational	2019	2018
	operations	£000	£000
	£000	£000	£000
Depreciation	1,050	1,050	87
Premises costs	396	396	40
Other support costs	1,140	1,140	52
Interest expense	134	134	12
Total Support Costs	<u>2,720</u>	<u>2,720</u>	<u>191</u>

8 Staff

a. Staff Costs

Staff costs for the above persons	2019	2018
	£000	£000
Wages and Salaries	4,366	170
Social Security Costs	398	4
Pension Costs	898	50
	<u>5,662</u>	<u>224</u>
Staff restructuring costs	1	14
	<u>5,663</u>	<u>238</u>
Staff restructuring costs comprise:		
Severance payments	1	14
	<u>1</u>	<u>14</u>

b. Non-statutory / non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory / non-contractual severance payment of £500 (2018: £14,000).

c. Staff numbers

The average monthly number of persons employed by the Academy Trust during the period was as follows:

	2019	2018
	Number	Number
Teachers	70	70
Administration and support	96	99
Management	8	8
	<u>174</u>	<u>177</u>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018-19	2018
£ 60,001 - £ 70,000	1	1
£ 70,001 - £ 80,000	1	1
£100,001 - £110,000	1	1

NB The comparative figures for 2018 are based on annualised earnings.

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page i. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £633,000. (2018: The annualised figure was £622,705.)

9 Related Party Transactions – Trustees’ remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment.

The annual value of Trustees’ remuneration and other benefits was as follows:

C Richards (Principal and Trustee):

Remuneration:	£100,001 - £110,000	(2018: annualised: £100,001 - £110,000)
Employer’s pension contributions:	£ 15,001 - £ 20,000	(2018: annualised: £ 15,001 - £ 20,000)

During the period ended 31 August 2019, travel and subsistence expenses totalling £3,000 were reimbursed or paid directly to 1 Trustee. (2018 £0)

10 Trustees and officers’ insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2019 was £3,000. (2018: £140) The cost of this insurance is included in the total insurance cost.

11 Tangible Fixed Assets

	Freehold Land and Buildings £000	Furniture and Fixtures £000	Plant and Equipment £000	Assets under Construction £000	Total £000
Cost					
At 1 September 2018	22,847	9	607	4	23,467
Additions	49	0	172	10	231
At 31 August 2019	22,896	9	779	14	23,698
Depreciation					
At 1 September 2018	68	1	18	0	87
Charged in year	819	5	226	0	1,050
At 31 August 2019	887	6	244	0	1,137
Net Book Values					
At 1 September 2018	22,779	8	589	4	23,380
At 31 August 2019	22,009	3	535	14	22,561

Included in land and buildings is land at valuation of £2,429,000 (2018: £2,429,000) which is not depreciated.

12 Stock

	2019	2018
	£000	£000
Catering	4	5
	4	5

13 Debtors

	2019	2018
	£000	£000
Trade debtors	13	40
VAT recoverable	103	10
Prepayments and accrued income	130	200
	246	250

14 Creditors: Amounts Falling Due Within One Year

	2019	2018
	£000	£000
Trade creditors	64	166
Other taxation and social security	98	93
Bank loans	300	283
Other creditors – holiday pay accrual	8	17
Accruals and deferred income	272	461
	742	1,020

	2019	2018
	£000	£000
Deferred income at 1 September 2018	33	0
Transfer on conversion	-	33
Released from previous years	(17)	0
Resources deferred in the year	39	0
Deferred income at 31 August 2019	55	33

At the balance sheet date, the Academy Trust was holding funds provided by the ESFA (£40k) and the local authority (£15k) that were subject to clawback.

15 Creditors: Amounts Falling Due After More Than One Year

	2019	2018
	£000	£000
Bank loans	1,471	1,777
	1,471	1,777

With the approval of the Secretary of State for Education, the Academy Trust was able to assume the loans of East Norfolk Sixth Form College on its dissolution. The College entered into three loan agreements to facilitate the development of the site for the benefit of the students. The details of these loans are as follows:

The College took out a 20-year loan for £2,239,000 with Lloyds TSB Bank on 1 October 2004 to help finance a building project to add a new teaching block and sports hall. The loan is paid quarterly and the interest rate has been fixed at 6.18301%. The loan is secured on the College land and buildings. The value of the loan at 1 August 2019 was £871,000. (2018: £1,008,000)

The College took out a 19-year loan for £528,000 with Lloyds TSB Bank on 19 March 2008 to help finance a building project to add a new teaching block. The loan is paid quarterly and the interest rate is variable at Base Rate + 1.50%. The loan is secured on the College land and buildings. The value of the loan at 1 August 2019 was £189,000. (2018: £218,000)

The College took out a loan for £1,500,000 with Lloyds TSB Bank on 1 October 2012 to help finance the building project to add a new teaching block and canteen. The loan has two components: (1) £625,000 at a fixed interest rate of 3.855% over a period of 10 years and (2) £875,000 on a variable rate basis of 1.5% above the 3-month LIBOR rate over a period of 15 years. Payments are made quarterly. The loan is secured on the College land and buildings. The value of this loan at 1 August 2019 was £711,000. (2018: £834,000)

The loans are repayable as follows:

	2019	2018
	£000	£000
In one year or less	300	283
Between one and two years	313	294
Between two and five years	884	903
In five years or more	274	580
	<u>1,771</u>	<u>2,060</u>

16 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers £000	Gains, losses £000	Balance at 31 August 2019 £000
Restricted general grants						
General Annual Grant (GAG)	132	6,864	(6,417)	(316)	0	263
Other grants	41	0	(14)	0	0	27
Other grants	2	501	(488)	0	0	15
Pension reserve	(1,668)	0	(271)	0	(1,478)	(3,417)
	<u>(1,493)</u>	<u>7,365</u>	<u>(7,190)</u>	<u>(316)</u>	<u>(1,478)</u>	<u>(3,112)</u>
Restricted fixed asset funds						
Tangible fixed assets	23,318	0	(1,012)	0	0	22,306
DfE group capital grants	83	151	(23)	0	0	211
Capital expenditure from						
GAG	62	0	(31)	27	0	58
Other grants	0	2	0	0	0	2
Loan for capital expenditure	(2,060)	0	0	289	0	(1,771)
	<u>21,403</u>	<u>153</u>	<u>(1,066)</u>	<u>316</u>	<u>0</u>	<u>20,806</u>
Total restricted funds	<u>19,910</u>	<u>7,518</u>	<u>(8,256)</u>	<u>0</u>	<u>(1,478)</u>	<u>17,694</u>
Total unrestricted funds	<u>595</u>	<u>337</u>	<u>(127)</u>	<u>0</u>	<u>0</u>	<u>805</u>
Total funds	<u>20,505</u>	<u>7,855</u>	<u>(8,383)</u>	<u>0</u>	<u>(1,478)</u>	<u>18,499</u>

The General Annual Grant (GAG) represents core funding for the educational activities of the Academy that has been provided to the Academy Trust via the Education and Skills Funding Agency by the Department of Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

The restricted other grants relate to the Academy Trust's development and operational activities.

The pension reserve identifies the pension deficit on the local government pension scheme.

The restricted fixed assets fund recognised the tangible fixed assets gifted to the trust upon conversion by the college. Depreciation charged on those tangible assets is allocated to the fund as are long-term maintenance costs. The transfer to the restricted fixed asset funds represents capital works funded from GAG funding and repayment of loans relating to property.

Comparative information in respect of the preceding period is as follows:

	Balance at 12 February 2018 £000	Income £000	Expenditure £000	Transfers £000	Gains, losses £000	Balance at 31 August 2018 £000
Restricted general grants						
General Annual Grant (GAG)	0	594	(313)	(149)	0	132
Transfer on conversion –						
Other grants	0	41	0	0	0	41
Other grants	0	2	0	0	0	2
Pension reserve	0	(1,657)	(23)	0	12	(1,668)
	<u>0</u>	<u>(1,020)</u>	<u>(336)</u>	<u>(149)</u>	<u>12</u>	<u>(1,493)</u>
Restricted fixed asset funds						
Transfer on conversion –						
Tangible fixed assets	0	23,318	0	0	0	23,318
DfE group capital grants	0	89	(6)	0	0	83
Capital expenditure from						
GAG	0	0	(87)	149	0	62
Loan for capital expenditure	0	(2,060)	0	0	0	(2,060)
	<u>0</u>	<u>21,347</u>	<u>(93)</u>	<u>149</u>	<u>0</u>	<u>21,403</u>
Total restricted funds	<u>0</u>	<u>20,327</u>	<u>(429)</u>	<u>0</u>	<u>12</u>	<u>19,910</u>
Total unrestricted funds	<u>0</u>	<u>595</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>595</u>
Total funds	<u>0</u>	<u>20,922</u>	<u>(429)</u>	<u>0</u>	<u>12</u>	<u>20,505</u>

17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	0	0	22,561	22,561
Current assets	941	611	16	1,568
Current liabilities	(136)	(306)	(300)	(742)
Non-current liabilities	0	0	(1,471)	(1,471)
Pension scheme liability	0	(3,417)	0	(3,417)
Total Net Assets	<u>805</u>	<u>(3,112)</u>	<u>20,806</u>	<u>18,499</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	0	0	23,380	23,380
Current assets	1,332	175	83	1,590
Current liabilities	(737)	0	(283)	(1,020)
Non-current liabilities	0	0	(1,777)	(1,777)
Pension scheme liability	0	(1,668)	0	(1,668)

Total Net Assets	<u>595</u>	<u>(1,493)</u>	<u>21,403</u>	<u>20,505</u>
18 Capital Commitments				
			2019	2018
			£000	£000
Contracted for, but not included in the financial statements			<u>0</u>	<u>0</u>
19 Commitments Under operating leases				
Operating leases				
At 31 August 2019, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:				
			2019	2018
			£000	£000
Amounts due within one year			43	17
Amounts due between one and five years			46	2
			<u>89</u>	<u>19</u>
20 Reconciliation of net income to net cash flow from operating activities				
			2019	2018
			£000	£000
Net income for the reporting period (as per the Statement of Financial Activities)			(528)	20,493
Adjusted for:				
Depreciation [Note 11]			1,050	87
Interest receivable [Note 5]			(5)	-
Interest payable [Note 7]			134	-
Cash transferred on conversion to an Academy Trust			-	(1,174)
Fixed assets transferred on conversion to an Academy Trust			-	(23,318)
Bank loans transferred on conversion to an Academy Trust			-	2,060
Defined benefit pension scheme obligation inherited			-	1,657
Defined benefit pension scheme cost less contributions payable [Note 26]			221	19
Defined benefit scheme pension scheme finance cost			50	4
Decrease / (Increase) in stocks			1	(5)
Decrease / (Increase) in debtors			4	(250)
(Decrease) / Increase in creditors			(295)	591
Net cash provided by operating activities			<u>632</u>	<u>164</u>
21 Cash flow from financing activities				
			2019	2018
			£000	£000
Repayments of borrowing			(289)	0
Interest payable			(134)	0
Net cash provided by / (used in) financing activities			<u>(423)</u>	<u>0</u>
22 Cash flow from investing activities				
			2019	2018
			£000	£000
Dividends, interest and rents from investments			5	-
Purchase of tangible fixed assets			(231)	(3)
Net cash (used in) investing activities			<u>(226)</u>	<u>(3)</u>

23 Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand and at bank	1,318	1,335
Total cash and cash equivalents	1,318	1,335

24 Contingent Liability

The Academy Trust is not aware of any material contingent liabilities.

25 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Norfolk Pension Fund. Both are multi-employer defined-benefit plans.

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £81,000 were payable to the schemes at 31 August 2019 (2018: £91,000) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The previous actuarial valuation was carried out as at 31 March 2012 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

The latest actuarial valuation of the TPS has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (including an administration levy of 0.8%).

The employer's pension costs paid to TPS in the period amounted to £407,000. (2018: £37,000)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave

rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2019 were £343,000 (2018: £37,000), of which employer's contributions totalled £266,000 (2018: £25,000) and employees' contributions totalled £77,000 (2018: £12,000). The agreed contribution rates for future years are 20.8% for employers (plus an additional contribution of £13,000 annually) and tiered for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

	2019	2018
Rate of increase in salaries	2.6%	2.7%
Rate of increase for pensions in payment/inflation	2.3%	2.4%
Discount rate for scheme liabilities	1.8%	2.8%
Inflation assumption (CPI)	2.3%	2.4%
Commutation of pensions to lump sums		
Pre-April 2008 service	50%	50%
Post-April 2008 service	75%	75%

The current mortality assumptions include sufficient allowances for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2019	2018
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25.0	26.4

Sensitivity Analysis

	2019	2018
	£000	£000
Discount rate +0.1%	284	210
Discount rate -0.1%	-284	-210
Mortality assumption – 1 year increase	434	340
Mortality assumption – 1 year decrease	-434	-340
CPI rate +0.1%	228	167
CPI rate -0.1%	-228	-167
Salary increase rate +0.5%	248	204
Pension increase rate +0.5%	1,139	833

The Academy Trust's share of the assets in the scheme were:

	2019	2018
	£000	£000
Equities	3,646	3,482
Bonds	2,679	2,231
Property	893	819
Cash and other liquid assets	223	205
Total market value of assets	7,441	6,827

The actual return on assets was £402,000 (2018: £27,000).

Amounts recognised in the Statement of Financial Activities

	2019	2018
	£000	£000
Current service cost	(458)	(44)
Past service cost	(29)	-
Interest income	194	15
Interest cost	(244)	(19)
Total amount recognised in the SOFA	(537)	(48)

Changes in the present value of defined benefit obligations were as follows:

	2019	2018
	£000	£000
At 1 September	8,495	-
Conversion of Academy Trust	-	8,432
Current service cost	458	44
Interest cost	244	19
Employee contributions	77	8
Benefits paid	(103)	(8)
Actuarial losses	1,658	-
Past service cost	29	-
At 31 August	10,858	8,495

Changes in the fair value of the Academy Trust's share of scheme assets:

	2019	2018
	£000	£000
At 1 September	6,827	-
Conversion of Academy Trust	-	6,775
Interest income	194	15
Actuarial gains	180	12
Employer contributions	266	25
Employee contributions	77	8
Benefits paid	(103)	(8)
At 31 August	7,441	6,827

27 Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, the College had one transaction with the Youth STEMM Awards (YSA), an organisation whose directors are the Deputy Principal, Simon Fox, and his wife. The College paid a membership fee of £150 to YSA. Money collected from our students to join was also paid to YSA. This amounted to £600. At the year

ended 31 August 2019, the balance due to YSA was £NIL (2018; £NIL).

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

28 Agency Arrangements

The Academy Trust distributes 16 – 19 bursary funds, free meal funds and vulnerable bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2019, the Academy Trust received £216,050 and disbursed £190,910 from the fund. An amount of £25,140 (2018: £NIL) is included in accruals and deferred income relating to undistributed funds that are due to the ESFA if not distributed to students in 2019-20.

The Academy Trust also distributes funding as an agent for Family Action Grant to students. In the accounting period ended 31 August 2019 the Academy Trust received: £9,730 and disbursed £8,353 from the fund. An amount of £1,377 (2018: £Nil) is included in accruals and deferred income relating to undistributed funds that are due to Family Action Grant if undistributed to students.

29 Events after the end of the reporting period

There were no events to report which took place after the end of the reporting period.